

Battery Park City Open Community Meeting

March 2018



Battery Park
City Authority

Agenda

- **BPCA Overview**
- ***BPCA Overview Feedback***
- **Finance Update**
- ***Finance Feedback***
- **Ground Leases**
- ***Ground Lease Feedback***
- **Community Highlights**
- ***General Feedback***

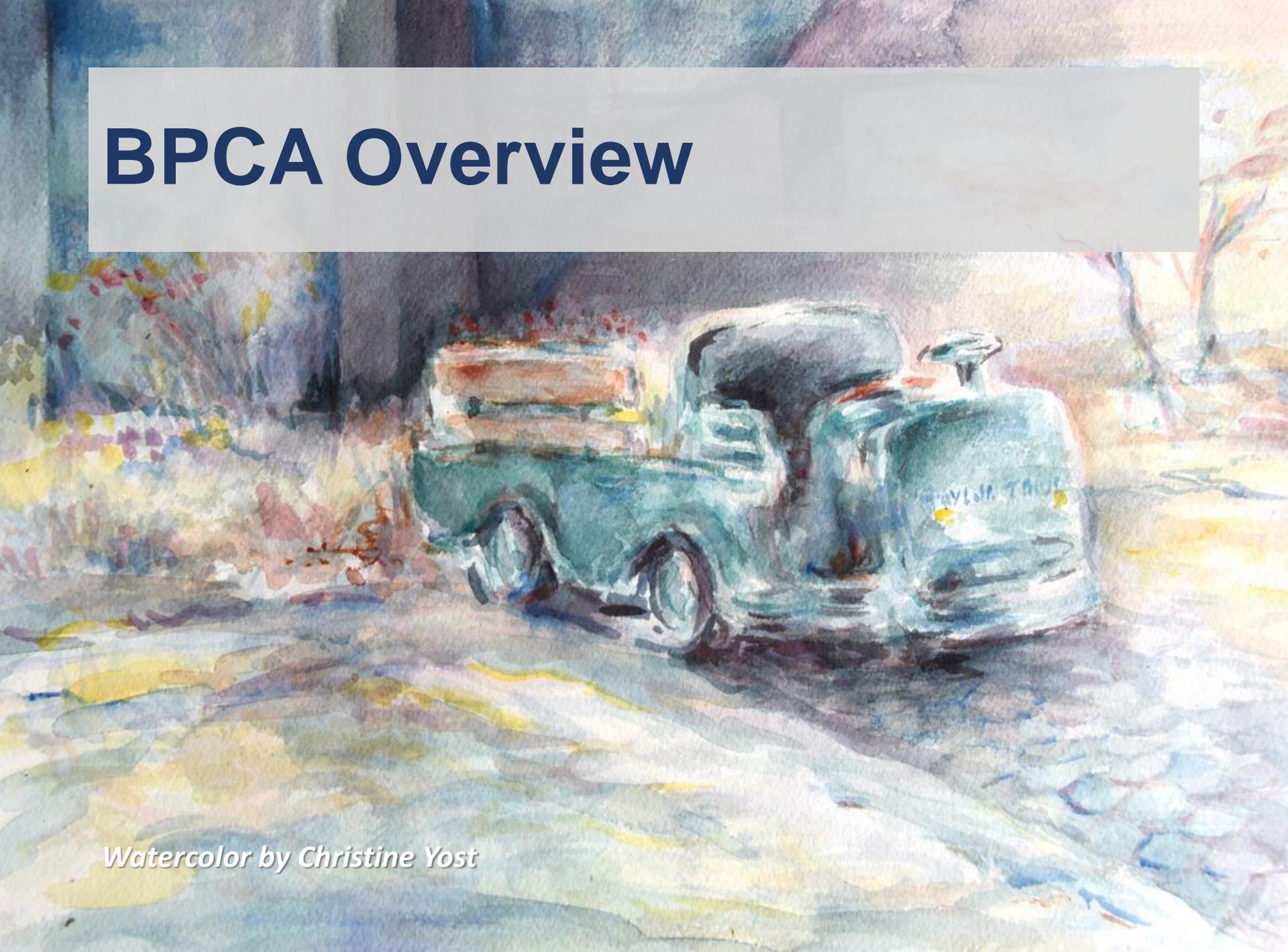
Goals

- ***Start to clarify information about***
 - **Authority structure**
 - **Finances**
 - **Ground Leases**
 - **Learn what additional information would be helpful to the community**
- **General update on security, programs, and community meetings**
- **Hear your feedback, concerns, and ideas**

Feedback at the last meeting

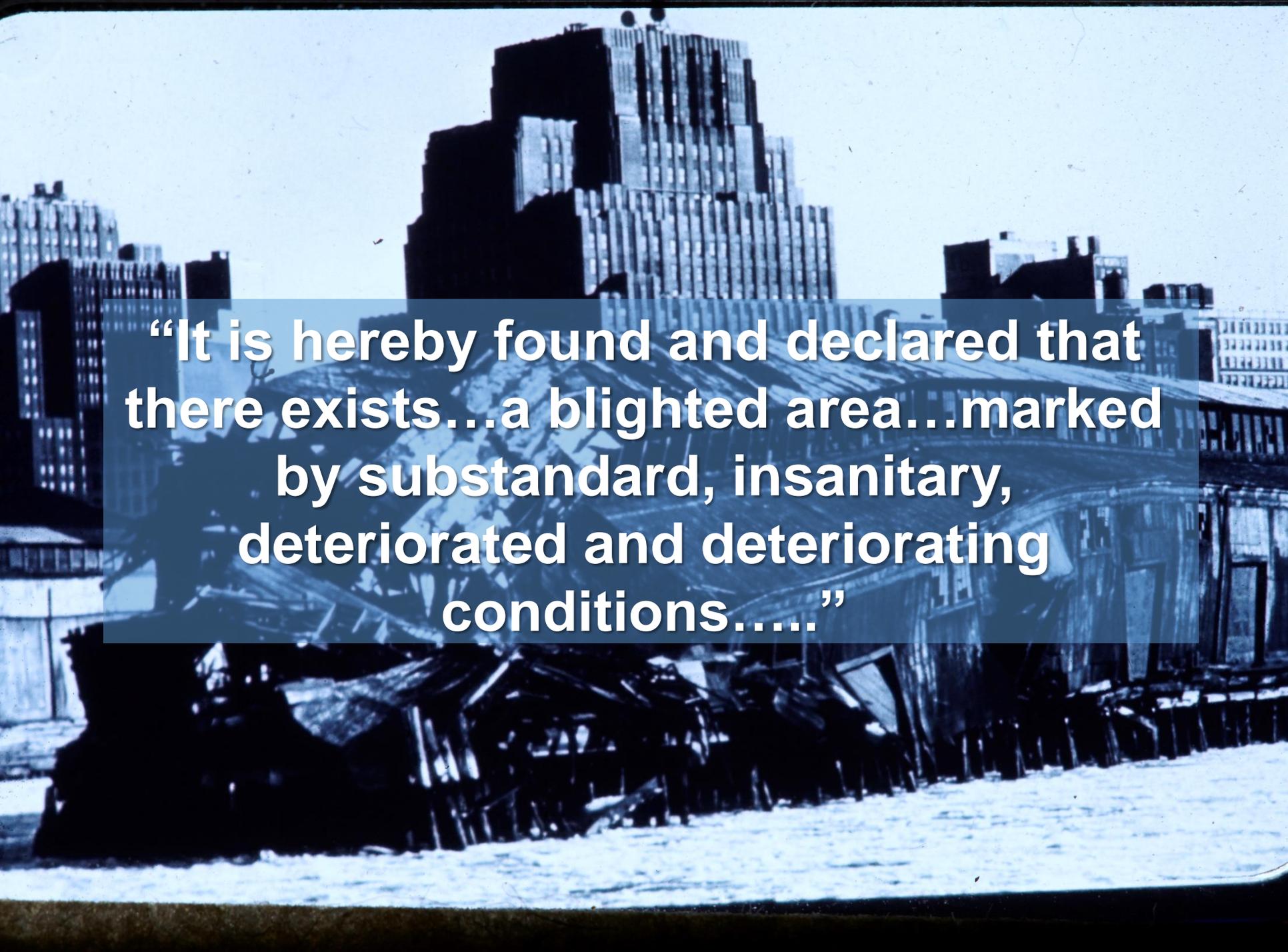
- *Life rings*
- *Keep Rector Bridge open*
- *Security office contact information posted at schools*
- *Address law enforcement car parking*
- *Provide a finance update*
- *Provide a ground lease update*
- *Community Notification System*
- *Raising PS89/IS289 Crossing guard need with NYPD*
- *PS89/IS289 Ambassador post*
- *Use of Asphalt Green*
- *Reserve parking spaces for deliveries and school drop offs*
- *Peace officers*
- *Radios at day care centers*
- *Closing off the street during PS/IS 276 arrival and dismissal times*

BPCA Overview



Watercolor by Christine Yost

Master Lease
Battery Park
City Authority
By-laws
Governor
Bond Offerings
Special Authorizations
Mayor
Joint Purpose Funds
Offices
Retail
PILOT
Urban Development
Commission
Enabling Legislation
Ground Leases
Joint Purpose Fund
Subleases
Ground Rent
Schools
Settlement Agreement
State Legislature
Housing New
York Corporation
Comptroller
Settlement Agreement
Amendments
Residents
Visitors
Cultural
Institutions



“It is hereby found and declared that there exists...a blighted area...marked by substandard, insanitary, deteriorated and deteriorating conditions.....”

“The...Authority is a New York State public benefit corporation whose mission is to plan, create, co-ordinate and sustain a balanced community of

commercial, residential, retail, parks and open space within its designated 92-acre site on the lower west side of Manhattan.”

Timeline



1968: BPCA Act signed



1970: First pier demolition



1974: Gateway groundbreaking



1988: Winter Garden opens



1983: Esplanade opens



1994: MJH groundbreaking

1992: Stuyvesant HS Opens



2000: Green Guidelines



2014: Pier A Restoration



2012: Hurricane Sandy

2008: Financial Crisis

2009: Poets House opens

2001: 9/11



Powers of the Authority

Secure MWBE participation



Acquire, lease and mortgage real property

Borrow and issue bonds



Battery Park City Authority



Construct and improve buildings and land

Charge and collect fees



Enter into contracts

Settlement Agreement

Owner of lease must pay an amount based upon the billable assessed value of the premises, as determined by the City of New York (aka PILOT)

SETTLEMENT AGREEMENT

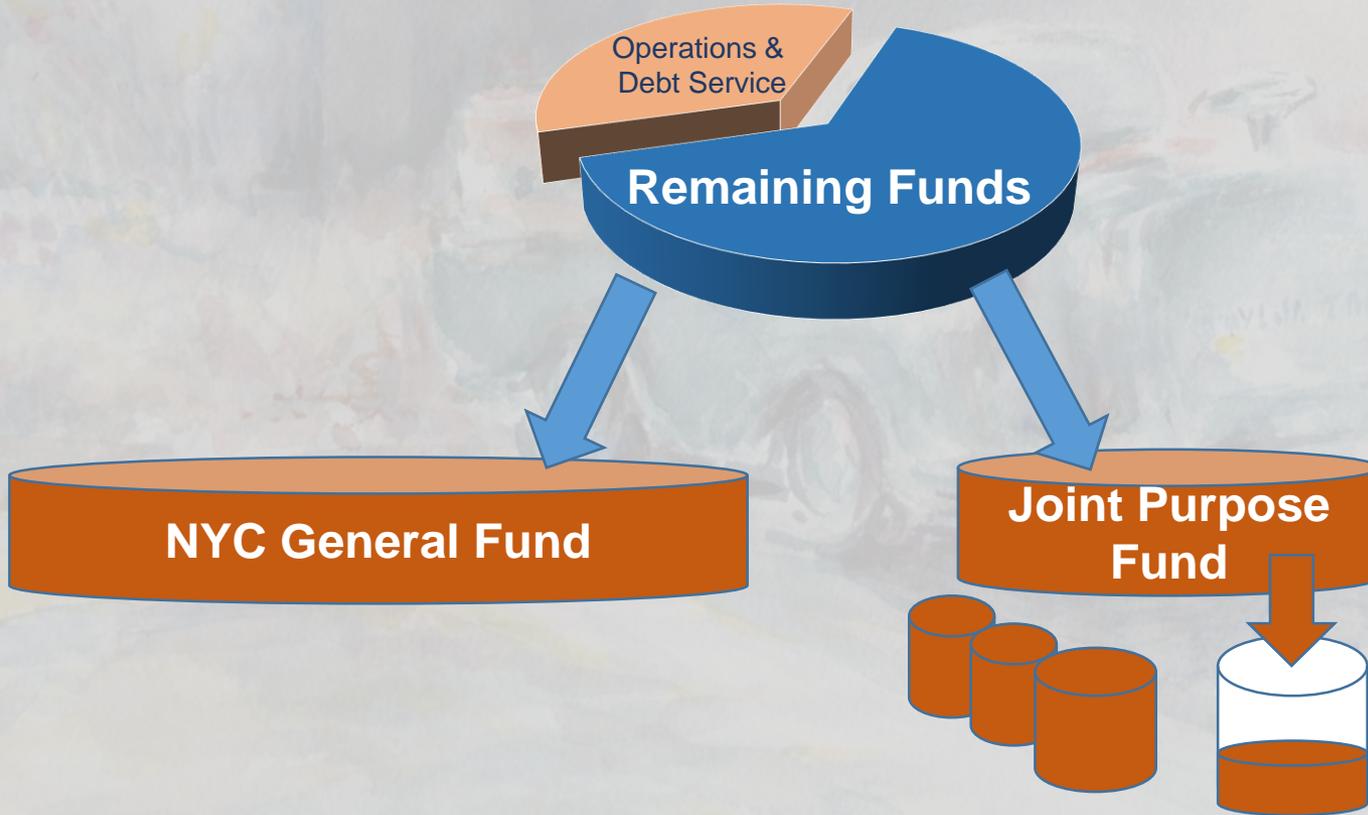
SETTLEMENT AGREEMENT, dated as of June 6, 1980,
between THE CITY OF NEW YORK (the "City"), a municipal corporation of the State of New York, and NEW YORK STATE URBAN DEVELOPMENT CORPORATION ("UDC"), a corporate governmental agency of the State of New York, constituting a political subdivision and a public benefit corporation.

W I T N E S S E T H :

WHEREAS, the City and Battery Park City Authority ("EPCCA"), a public benefit corporation of the City of New York, are parties to a Lease, dated as amended by Amendment of Lease,

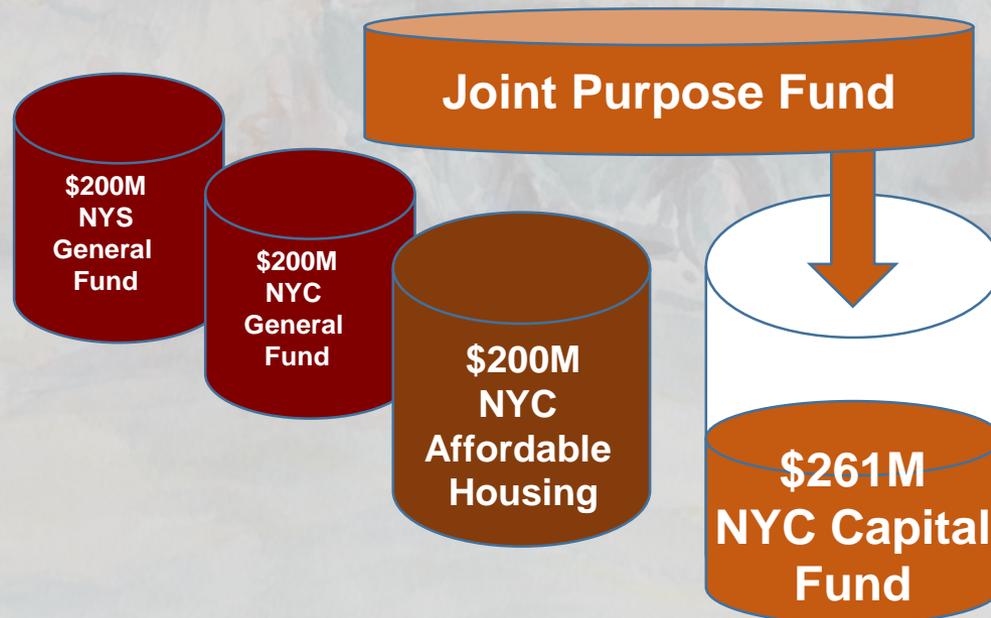
Proportional amount of remaining funds (after debt service, repair and maintenance, and other operating expenses) split between NYC's General Fund and Joint Purpose Fund

Settlement Agreement



2010 Amendment

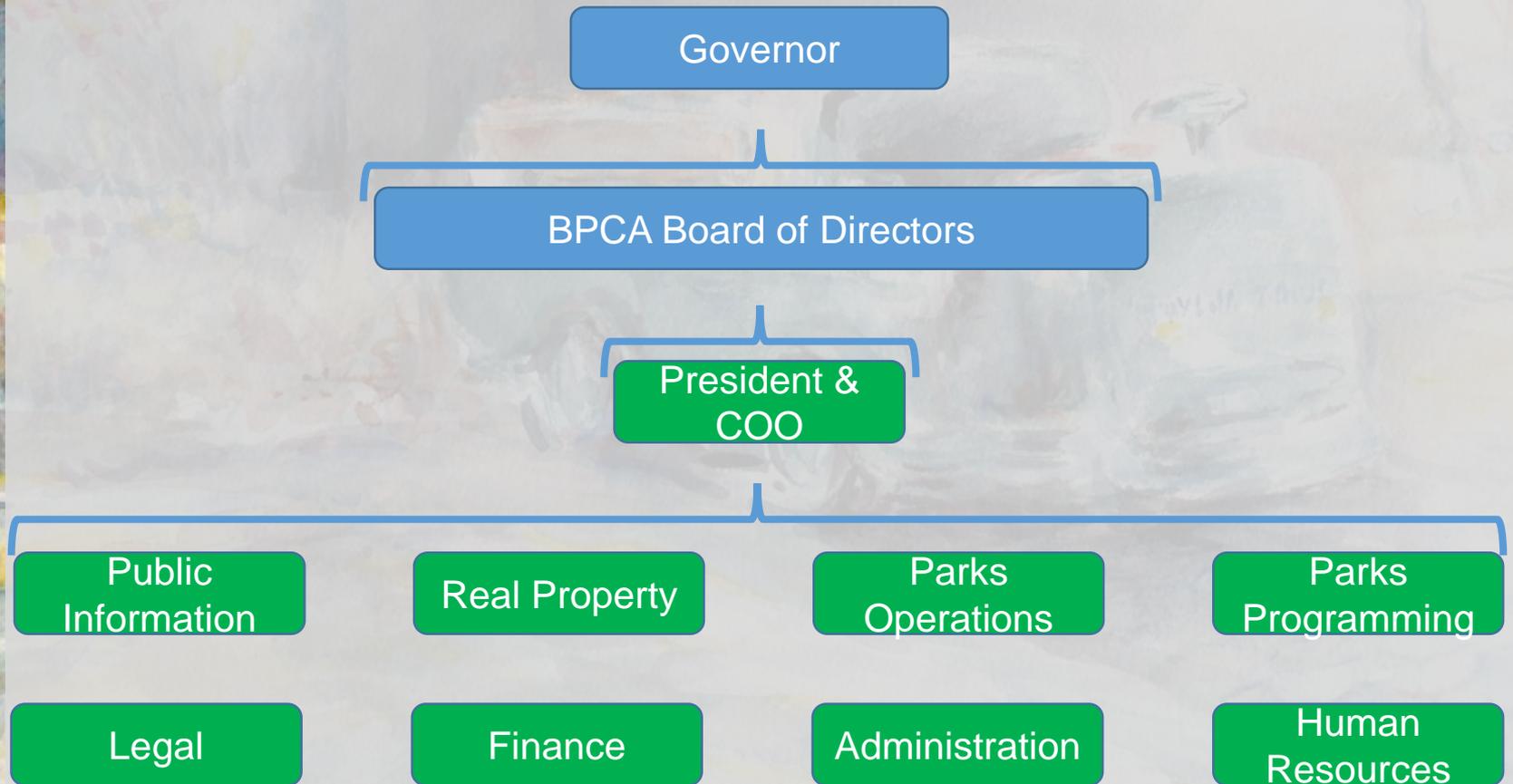
The Joint Purpose Fund is designated for different, specific needs agreed to by the Mayor, Comptroller, and Authority.



NYC Services



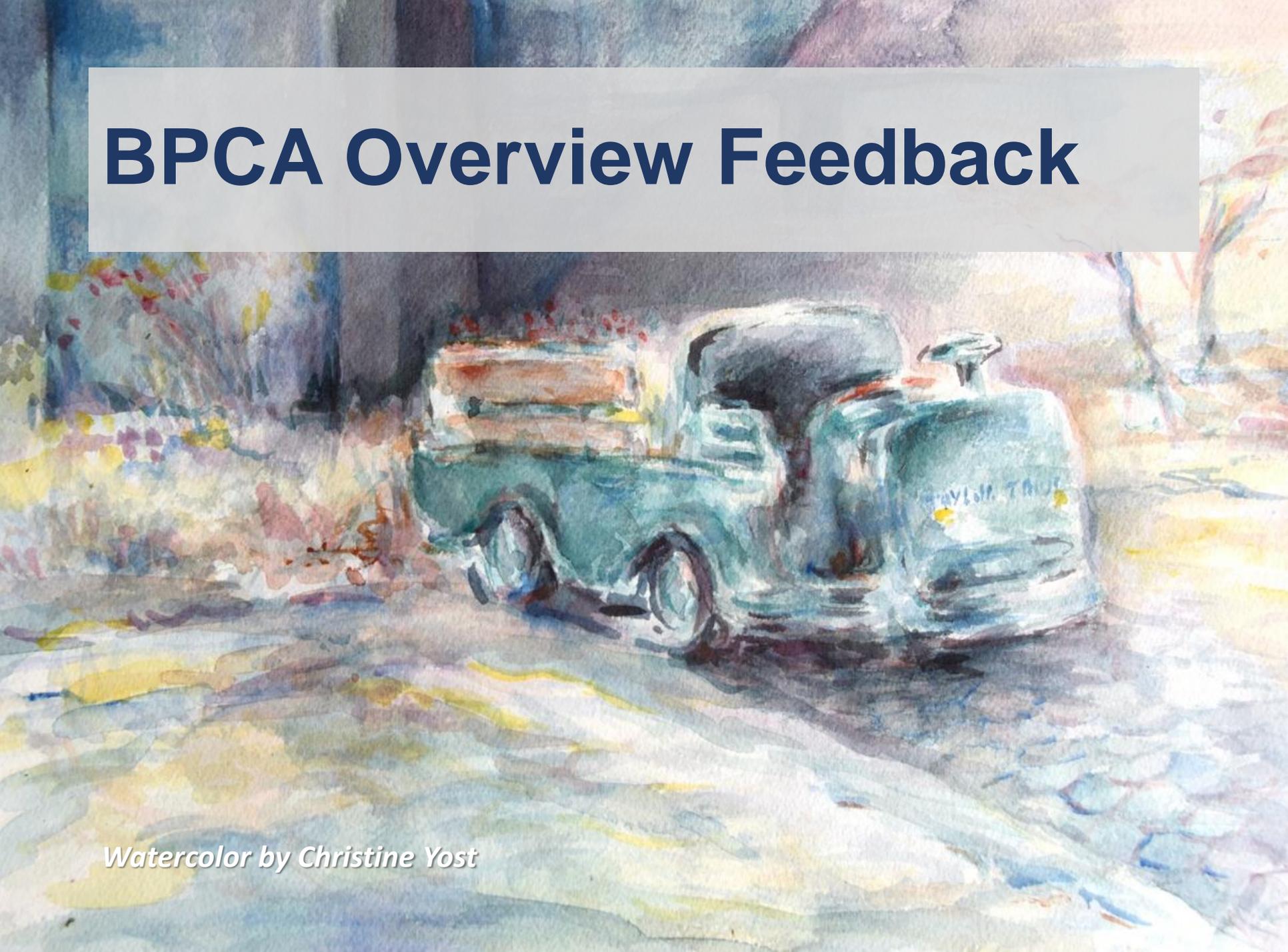
BPCA Overview



Some 2018 Goals

- ✓ Install life rings
- ✓ Expand free and affordable public programs
- Begin detailed resiliency designs and engineering for North End, Ball Fields, and Wagner Park
- Open 200 Rector community space and security office
- New wayfinding signs
- Advance South End Avenue pedestrian safety plans with DOT
- Develop an approach to address rent resets and lease term concerns with building owners / boards
- Launch a Special Patrol Officer pilot
- Kick off new internal controls program
- Free public WiFi expansion with Downtown Alliance
- Plan a tree census
- Preventative maintenance system for parks operations
- Celebrate 50th anniversary of Battery Park City Act

BPCA Overview Feedback



Watercolor by Christine Yost

Finance Update



Watercolor by Urszula Glogowska

Finance Overview

The Authority's financial position is driven by four major categories:

- 1. Revenues**
- 2. Expenses (Operating and Non-Operating)**
- 3. Fixed and Investment assets**
- 4. Debt and Other Liabilities**

BPCA Summary Financial Statements (in '000s)

(A Component Unit of the State of New York)

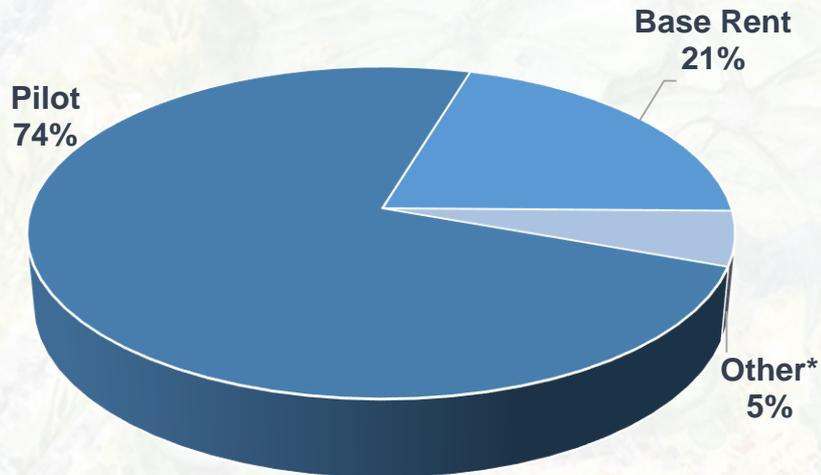
FYE 2017 compared to FYE 2016

	Years Ended October 31,		Difference
	2017	2016	
Statement of Revenues, Expenses, and Changes in Net Assets (Deficit)			
Operating Revenues			
Base Rent	\$60,937,579	\$59,617,836	\$1,319,743
Supplemental Rent	1,318,476	1,336,024	(17,548)
PILOT	218,713,058	204,988,037	13,725,021
Civic facilities payments and other	14,377,919	13,227,308	1,150,611
Total Operating Revenues	295,347,032	279,169,205	16,177,827
Operating Expenses:			
Wages and related benefits	15,333,799	14,440,199	893,600
Other post employment benefit (OPEB)	2,709,644	2,555,391	154,253
Other operating and administrative expenses	19,858,085	19,759,574	98,511
Depreciation and amortization	9,925,502	9,551,887	373,615
Total Operating Expenses	47,827,030	46,307,051	1,519,979
Operating Income	247,520,002	232,862,154	14,657,848
Non-operating revenues (expenses)			
Investment income	3,877,190	3,822,629	54,561
Unrealized Gains (losses)	(1,211,088)	243,603	(1,454,691)
Interest expense	(32,776,109)	(32,996,208)	220,099
Provision for NYC transfer - PILOT	(148,977,077)	(135,219,838)	(13,757,239)
Provision for other transfers	(44,190,551)	(44,778,851)	588,300
Other	(1,325,581)	5,431,046	(6,756,627)
Total Non-Operating revenues (expenses)	(224,603,216)	(203,497,619)	(21,105,597)
Change in Net Assets	22,916,786	29,364,535	(6,447,749)

	October 31,		Difference
	2017	2016	
Balance Sheet			
Current Assets			
Bank Deposits	\$39,738	\$396,816	(\$357,078)
Investments	1,905,339	5,695,440	(\$3,790,101)
Restricted - Rents and Other	3,478,739	4,941,518	(\$1,462,779)
Restricted - Bond Funds	289,340,257	297,907,257	(\$8,567,000)
Corp. Designated and escrowed funds	1,927,796	38,123,314	(\$36,195,518)
Total Current Assets	296,691,869	347,064,345	(\$50,372,476)
Non-current Assets & Deferred			
Restricted - Bond Funds	81,771,554	87,344,824	(\$5,573,270)
Restricted - Residential Lease Funds	27,569,504	27,304,097	\$265,407
Corp., escrowed and OPEB Funds	69,052,817	69,124,990	(\$72,173)
Deferred costs - Swap liability	17,752,629	35,007,049	(\$17,254,420)
BPC Project Assets	512,277,186	497,381,380	\$14,895,806
Other	80,660,719	86,244,579	(\$5,583,860)
Total Non-current Assets	789,084,409	802,406,919	(13,322,510)
Total Assets	1,085,776,278	1,149,471,264	(\$63,694,986)
Current Liabilities			
Accrued interest on bonds	(16,657,505)	(16,979,613)	\$322,108
Due to NYS Pension	(2,456,722)	(2,357,307)	(\$99,415)
Accounts payable and other	(4,814,968)	(9,872,399)	\$5,057,431
Due to NYC	(148,977,077)	(135,836,055)	(\$13,141,022)
Due to NYS 2010 Agmt. and Port Authority	(42,833,484)	(80,233,096)	\$37,399,612
Unearned Revenue	(50,011,122)	(47,421,677)	(\$2,589,445)
Bonds	(27,390,000)	(26,225,000)	(\$1,165,000)
Other	(4,738)	(4,738)	\$0
Total Current Liabilities	(293,145,616)	(318,929,885)	\$25,784,269
Non-Current Liabilities & Deferred			
Security and other deposits	(27,929,228)	(27,706,661)	(\$222,567)
Other post-employment benefits	(38,272,501)	(36,334,354)	(\$1,938,147)
Interest Rate Swap	(72,756,020)	(93,791,095)	\$21,035,075
Bonds Outstanding	(996,342,103)	(1,026,636,623)	\$30,294,520
Unearned Revenue	(248,768,041)	(260,739,758)	\$11,971,717
Total Non-Operating revenues (expenses)	(1,384,067,893)	(1,445,208,491)	\$61,140,598
Total Liabilities	(1,677,213,509)	(1,764,138,376)	\$86,924,867
Total Net Position (deficit)	(591,437,231)	(614,667,112)	\$23,229,881

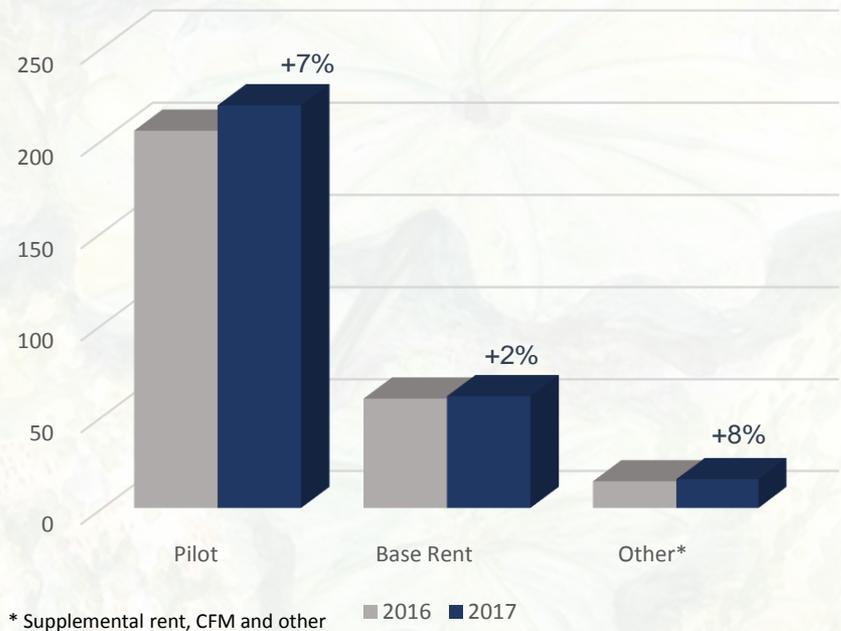
1. Revenues: \$295 million

Composition - FY2017 Revenue



* Supplemental rent, CFM and other

YOY Change - FY2016 & FY2017

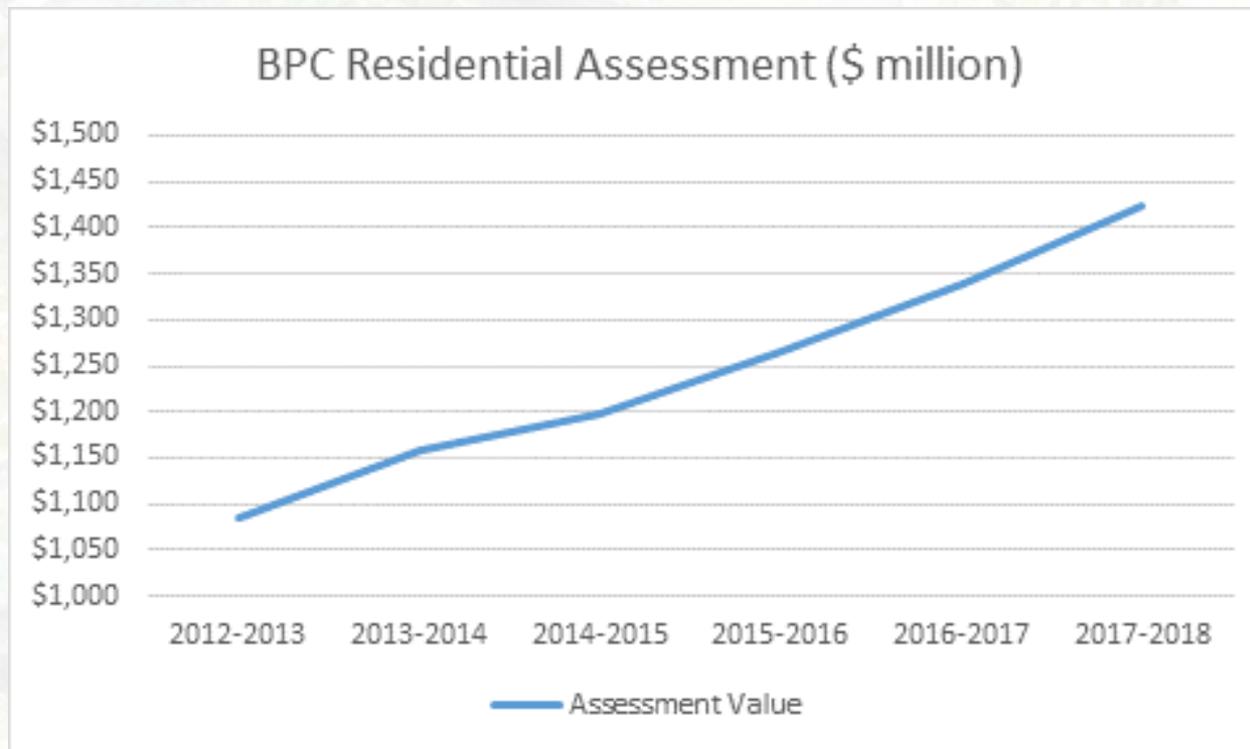


* Supplemental rent, CFM and other

■ 2016 ■ 2017

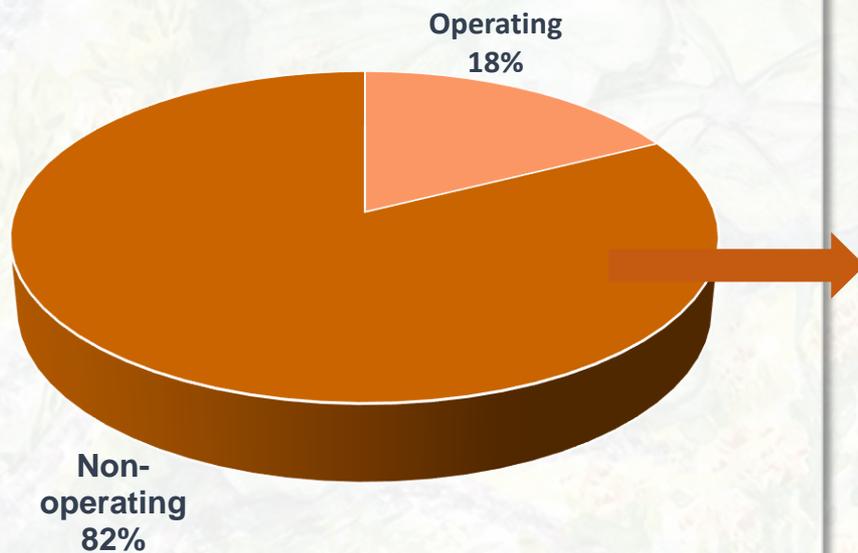


BPC Residential Property Assessments

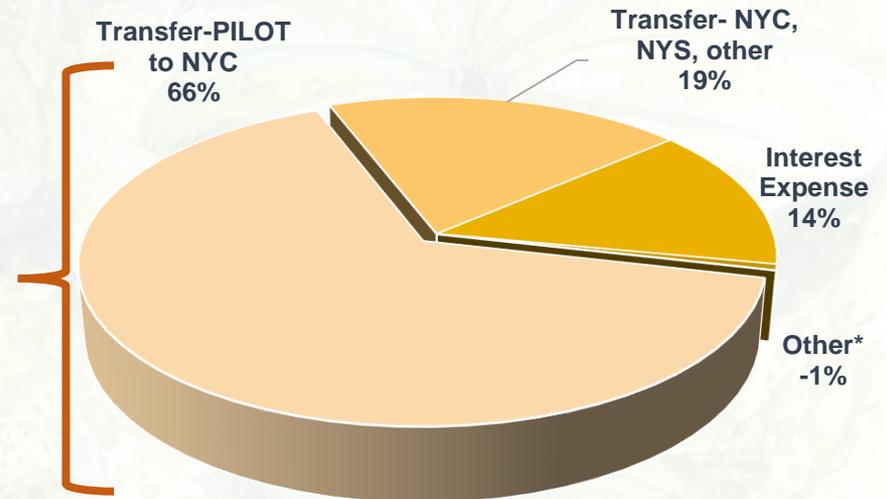


2. Expenses: \$272 million

Composition - FY2017 Expenses



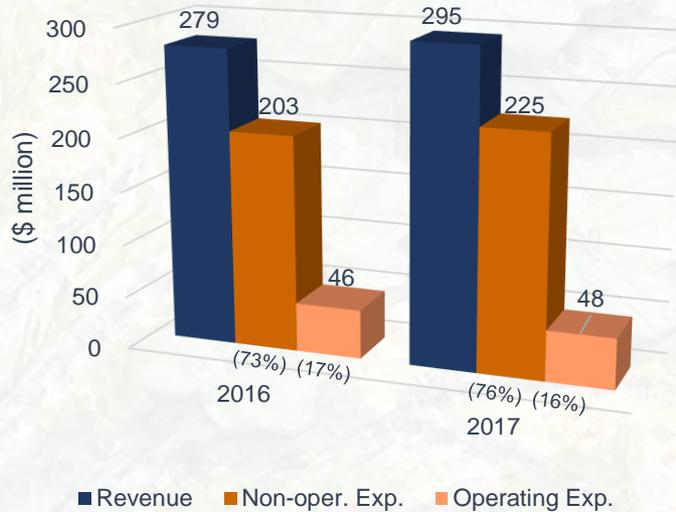
Composition - FY2017 Non-Operating Expenses



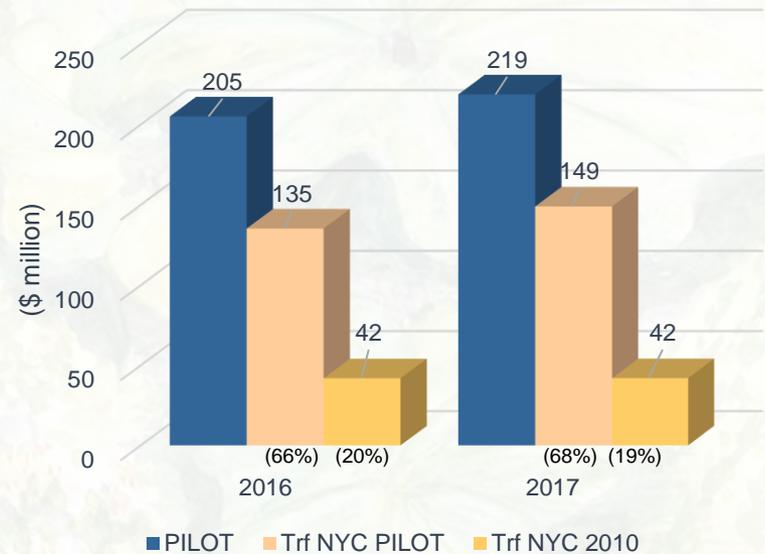
* Investment income, unrealized loss, other

How is the money allocated?

Composition - Revenue vs. Expenses (% of Revenue)

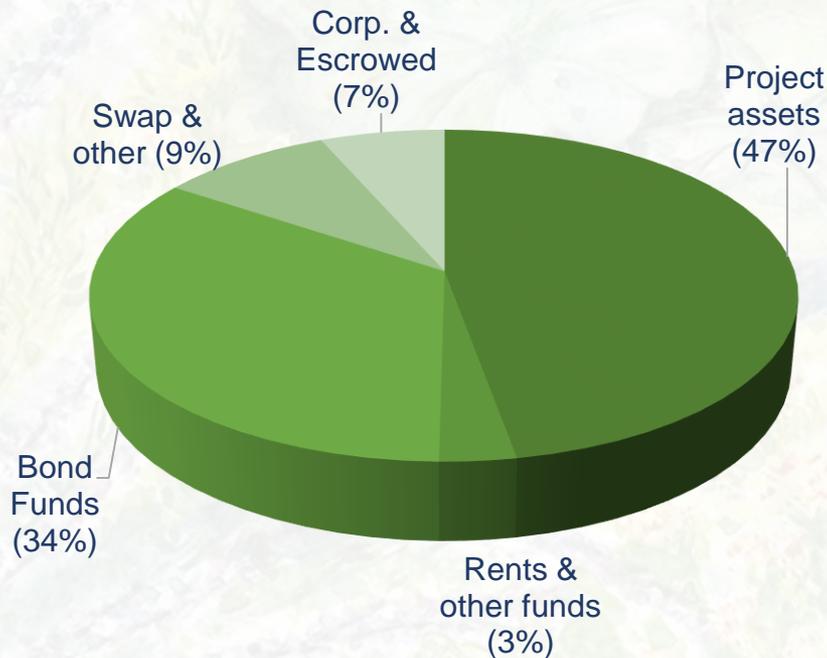


PILOT Revenue vs Transfers to NYC (% of PILOT)



3. Fixed and Investment Assets: \$1.1 billion

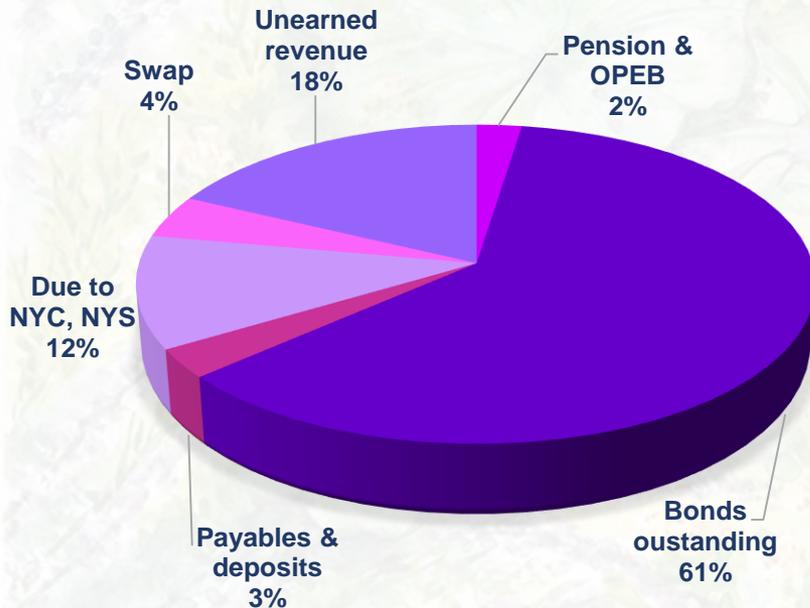
COMPOSITION – ASSETS and DEFERRED



- The principal components of BPCA's assets are financial investments held to meet bondholder requirements and fixed assets representing buildings and infrastructure investments.
- Assets are also held as reserves for other corporate obligations and to provide funds to meet operating, capital, lease related or other financial needs.

4. Debt and Other Liabilities: \$1.7 billion

COMPOSITION – LIABILITIES AND DEFERRED



- The Authority's net capital position has largely been used to fund infrastructure and improvements.
- NY State approval is required to increase the BPCA debt authorization for any incremental debt.
- NYC approvals are required for new capital projects.
- Authority debt does not affect PILOT or Base Rent, but it does affect the amount available to make transfer payments to NYC / NYS from the revenues remaining after operating cost and debt service.

Capital Budget

Estimated 2018 Capital Budget of \$55 Million (utilizing bond proceeds). Representative projects include:

- **Pile remediation / seawall repairs**
- **Electrical repair and upgrades**
- **Resiliency designs and engineering**
- **Leasehold improvements (e.g., 200 Rector)**
- **Streetscape security and safety**
- **West Thames bridge**
- **Tribeca Bridge Painting**

Finance Questions



Watercolor by Urszula Glogowska

Ground Leases



Watercolor by Barbara Insalaco

Barbara Insalaco

Ground Leases

- **Developers entered into agreements with Authority to develop buildings.**
- **Ground rent payments determined via negotiations between the developer and the authority for each lease.**
- **Leases generally contain provisions for escalations every 15 years.**
- **Percentage increases switch to market value-based increases for some buildings.**

Ground Leases (cont.)

- Authority has previously worked with buildings to agree to reset terms when escalations were due.
- Leases for condo buildings in the south neighborhood were modified to provide for fixed ground rents for first two reappraisal periods.
- A number of buildings have found it productive to negotiate with BPCA by joining with other buildings who have resets at the same general time.
- Goals that were taken into consideration in prior negotiations include:
 - ✓ Predictability to eliminate dramatic increase
 - ✓ Certainty of required rental payments
 - ✓ Mitigation of adverse impact on BPCA's credit rating

Ground Leases (cont.)

- For upcoming escalations, BPCA has had communications with the Homeowner's Coalition, comprised of representatives from 18 condo buildings.
- BPCA has also had communications with building owners (both rental and condo). Non-disclosure agreements limit information that can be shared publicly during negotiations.
- Objectives of stakeholders recently include:
 - ✓ Consider implications for dramatic ground rent increases
 - ✓ Develop alternatives to market value increase
 - ✓ Explore possibility for a master settlement
 - ✓ Enable revenues to continue to support operations and obligations to bondholders

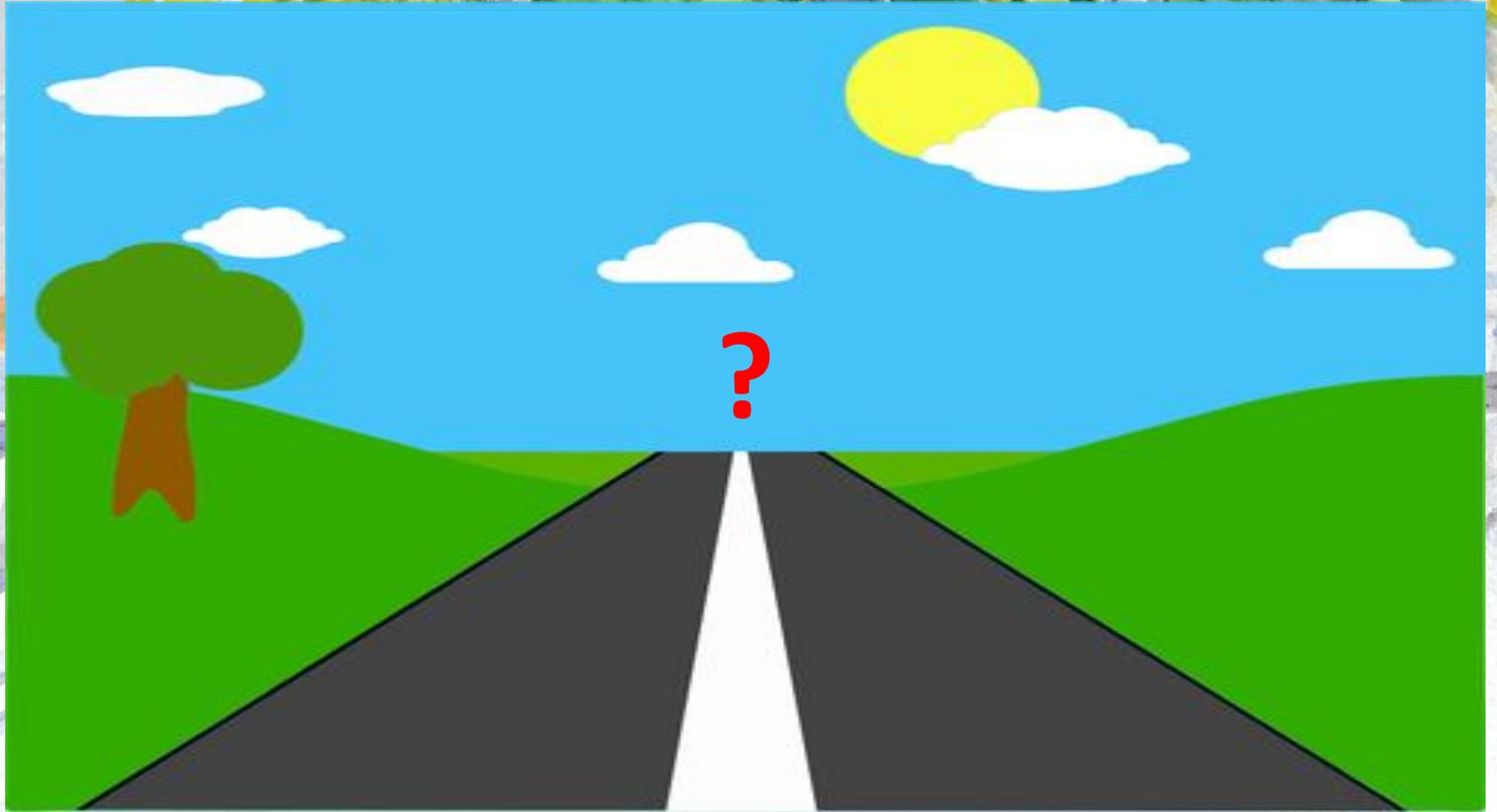
Ground Leases (cont.)

Upcoming building “reappraisal” dates include:



B/insalco

Ground Leases (cont.)



Community Highlights

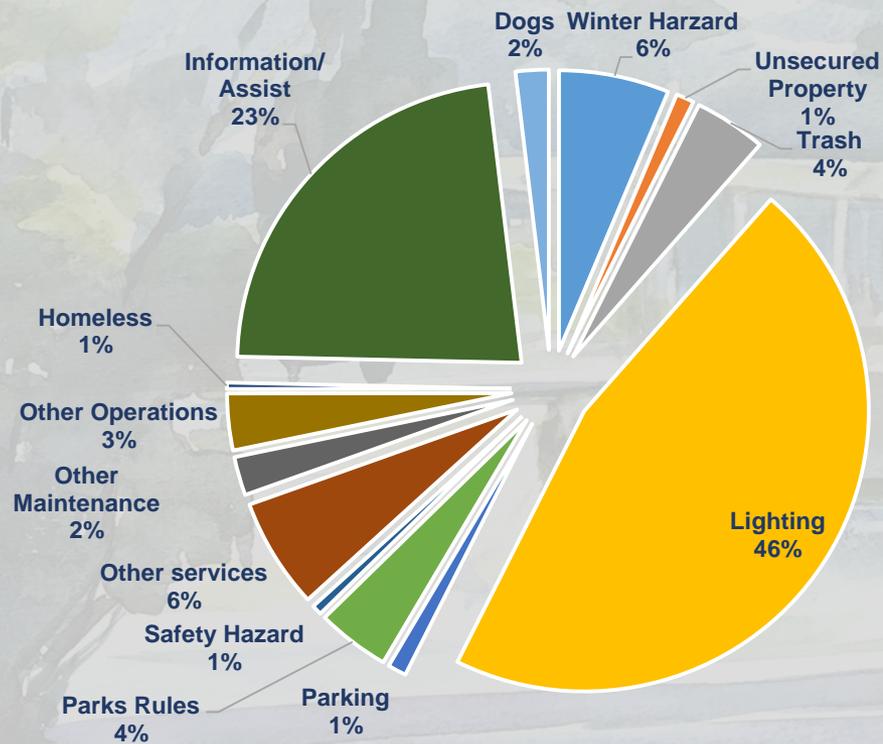
A watercolor painting of a school building. The building is a long, two-story structure with a flat roof and a series of windows. It is surrounded by lush green trees and foliage. The foreground shows a paved area, possibly a sidewalk or road, with some shadows cast by the trees. The overall style is soft and painterly, with visible brushstrokes and a rich color palette of greens, blues, and earthy tones.

Watercolor by Alison Cattan

Alison 17

BPC Ambassadors

Ambassador Reports
December - February



Total: 2,438

BPC Ambassadors

- Homeless reports declined through January
- Pier A Ticket Sellers issues declined
- Monitoring Emergency Life Rings on the Esplanade
- Enforcing NO Dog policy on the Ball Field, West Thames Park and Rector Park
- Enforcing NO Drones flying in the park
- Monitoring Ball Field, Tear Drop and 75 Battery Place cameras

Alotta 17

BPC Ambassadors (cont.)

- **Special Patrol Officer Program – NYPD applications in process**
- **PS89/IS289 meeting – Safety Ambassadors assigned at the start and end of the school day (in addition to PS/IS 276)**
- **Meeting with NYPD Counterterrorism Division and BPCA to identify new safety measures**
- **Battery Park City Day Nursery, Battery Park Montessori, and Preschool of America – Radios issued and added to Emergency Notification System and 1st Precinct School Safety visits**
- **NYPD Parking Enforcement Unit issuing summons and towing vehicles/motorcycles**

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Programming Highlights

FREE **Stories & Songs: 14-week live musical performance & storytelling program for young children enjoyed by more than 150 participants each Wednesday through April 4.**

FREE **Tuesday Talks- Select Dates, 1pm at 6 River Terrace**

- March 13, Georgia O'Keeffe's New Mexico
- March 27, A Year on Broadway

FREE **Saturday Afternoon Cultural Workshops for Families: March 24, Celebrating Mexico Featuring Mana A Mano: Mexican Culture Without Borders**

Alto 17

Programming Highlights

FREE

FTO: Get Your Game On! Free teen program featuring a variety of fun games each Friday evening from 4-7pm at 8 River Terrace for grades 7-12.

FREE

2018 Annual Art Exhibition on display Monday through Friday from 2-4pm at BPC Parks Headquarters, 75 Battery Place.

FREE

Meet Me in the Kitchen – Good Nutrition! A BPCA community partnership with Asphalt Green and Battery Park City Seniors, these free classes offer guidance on eating for increased energy and nutrients, reducing sugar, salt, and inflammation, and preparing easy, fresh meals:

-March 6 – Spice of Life

-March 20 – Boost Your Immune System

Upcoming Community Meetings

- **Manhattan CB1 Battery Park City Committee Meeting**
 - Tuesday, March 6, 6:00pm @ Metropolitan College (60 West Street)
- **NYC Council Lunar New Year Celebration**
 - Wednesday, March 7, 5:30PM @ City Hall. RSVP to LNY2018@council.nyc.gov
- **Free Citizenship Application Assistance with CUNY Citizenship Now**
 - Saturday, March 10, 11:00am-2:00PM @ Metropolitan College of New York
- **Assembly Member Yuh-Line Niou's Women's History Month Event**
 - Sunday, March 11, 12:00-3:00PM @ LMHQ (150 Broadway)
- **BPCA Board Meetings – 10:30am @ 200 Liberty Street, 24th Floor**
 - Tuesday, March 13
 - Tuesday, April 10
 - Tuesday, May 15
 - Tuesday, June 12
 - Tuesday, July 10
 - Tuesday, August 14
 - Tuesday, September 18
 - Tuesday, October 16
 - Tuesday, November 13
 - Tuesday, December 11
- **Small Business City Agency/Resource Fair**
 - Wednesday, March 14, 9:30-11:00am @ 62 Mott Street

Manhattan 17

Upcoming Community Meetings (continued)

- **Manhattan Community Board 1 Monthly Meeting**
-Tuesday, March 27, 6:00pm @ Museum of Jewish Heritage (36 Battery Place)
- **NYPD First Precinct Community Council**
-Thursday, March 29, 6:30pm @ NYPD 1st Pct. (16 Ericsson Street)
- **Downtown Little League Opening Day & Parade**
-Saturday, April 14 @ BPC Ball Fields
- **Mayor's Office of Recovery & Resiliency at CB1's Waterfront, Parks & Resiliency Committee**
-Tuesday, April 17, 6:00pm @ MBPO Large Conference Room (1 Centre Street, 19th Floor)
- **9/11 Memorial & Museum 5K Run/Walk & Community Day**
-Sunday, April 22 @ Brookfield Place and along BPC Esplanade

Sign-up for BPCA Newsletter for monthly news & event updates!

BPCA Open Community Meetings

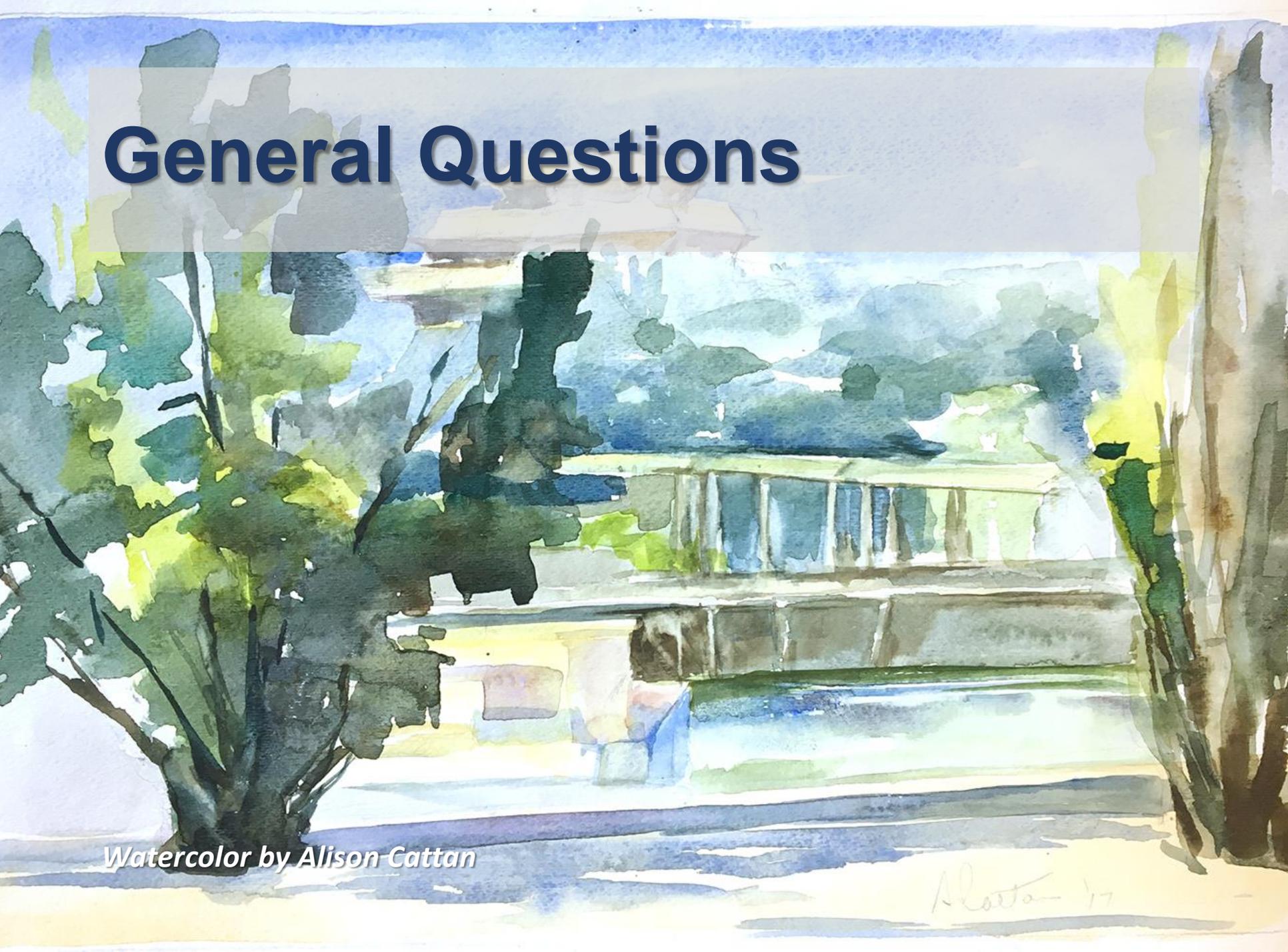
Dates in the works:

- Wednesday June 6
- Wednesday, September 12
- Wednesday, November 28



November 17

General Questions



Watercolor by Alison Cattan

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Thank you!



Watercolor by Christine Yost